

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**FEBRUARY 13, 1997**

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, February 13, 1997. Members present were Messrs. Mark Hasten, Chairman; W. Paul Wolf, Vice Chairman; Norman Lowery, Tony Zaleski, and Ronald Depasse, and Mr. Richard Rice. Also present from the Department were Charles W. Phillips, Director; James M. Cooper, Deputy Director, Depository Institutions; Randall L. Rowe, Bank Supervisor; Chuck T. Stumpf, Deputy Director, Administrative Division; Kirk J. Schreiber, Bank Analyst; Gina R. Williams, Bank Analyst; Mark K. Powell, Supervisor, Credit Union Division and Ronda Bailey, Administrative Secretary. Representing Tech Federal Credit Union were; Michael Hussey, President and Richard Lundstrom, Executive Vice-President. Board Member Gary M. Smith was absent.

**I. PUBLIC SESSION**

- A.) Attendance
- B.) Director Phillips introduced the new Board Member, Mr. Richard J. Rice, President and CEO of the Teachers Credit Union, South Bend, St. Joseph County, Indiana. Mr. Rice was sworn in by Mrs. Janice L. Davis, Notary, in the absence of Secretary, J. Philip Goddard. Mr. Richard Rice replaced Mrs. Dee Godme. The oath and letter from the Governor to the Mr. Rice will be made part of the official minute book.
- C.) Date of next meeting: March 13, 1997 at 9:00 a.m., EST.
- D.) A motion was made for approval of the minutes of the meeting held November 21, 1996 by Mr. Wolf and was seconded by Mr. Zaleski. The minutes were unanimously approved.
- E.) Director Phillips presented a resolution of appreciation for Mrs. Dee Godme for her years of service as a Member of the Department of Financial Institutions. The resolution was unanimously approved by the Members.

**DIVISION OF BANK AND TRUST COMPANIES**

**1) Reaffirmation of the Resolution Which Waives the Prohibition on the Sale of Life Insurance**

Ms. Gina R. Williams, Senior Bank Analyst, presented the request to reaffirm the Members' approval to waive the prohibition of the sale of life insurance by Indiana state banks acting in an agency capacity at branches in states which permit such activity. The Members approved the waiver at the November 21, 1996, meeting; however, the agenda item for that meeting requested the waiver for branches of 1st Source Bank, South Bend, St. Joseph County, Indiana, operating in Michigan. The actual approval is for the branches of all Indiana state banks located in a state where such activity is permissible. The Members requested at the November 21, 1996, meeting the approval be reaffirmed at the next meeting so the agenda would properly reflect what the Members are approving.

**Mr Lowery made a motion for approval and was seconded by Mr. Rice. The motion was unanimously approved.**

**2) CH & JD Byrum, LLC, Indianapolis, Marion County, Indiana**

Ms. Gina R. Williams, Senior Bank Analyst, presented the application to the Members. On December 12, 1996, the Department received an application from CH & JD Byrum, LLC, ( CH & JD ), for the change of control of American State Corporation, ( ASC ) Lawrenceburg, Dearborn County, Indiana, and thereby indirectly acquire control of American State Bank, Dearborn County, Indiana, ( ASB ). The application was submitted pursuant to the provisions in IC 28-1-2-23.

CH & JD was formed by Clark Byrum as organizer for the sole purpose of acquiring the stock of ASC which is currently owned individually by either Mr. Byrum or his wife, Joan Byrum. Upon the transfer of the 175,361 shares owned by the Byrums, CH & JD will own 52.4% of ASC.

The Members were informed that Clark Byrum is currently the Chairman of the Board of both American State Corporation and American State Bank. He has been with the organization since 1979.

The Operating Agreement of CH & JD states that Clark Byrum and Joan Byrum shall serve as Managers of the company for their lifetimes. Upon the death of both of them, CH & JD

will be managed by three Managers: Mary Ann Smith, Clark Byrum, Jr., and one of the other three (3) Byrum children on a two year rotating basis.

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The Operating Agreement also states that while Clark or Joan Byrum are serving as Managers, the stock of ASC may be sold at their discretion. Upon their deaths, any stock of ASC may only be sold upon the unanimous vote of all of the Members.

A proforma financial statement of CH & JD after the transfer of stock reflects TA of \$1,396M, TL of \$0, and capital of \$1,396M.

There will be no changes in management of ASC or ASB as a result of the change of control.

It is the staff's opinion that the applicant has satisfied that: 1) the corporation and individuals are qualified by character and financial responsibility to control and operate the bank in a legal and proper manner; and 2) the interests of the stockholders, depositors, and creditors of the bank and the interests of the public generally, will not be jeopardized by the proposed change of control.

**A motion for approval was made by Mr. Rice and seconded by Mr. Lowery. The motion was unanimously approved.**

**DIVISION OF CREDIT UNION**

**Tech Federal Credit Union, Crown Point, Lake County, Indiana**

- 1) This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Tech Federal Credit Union (Tech) has applied to the Members of the Department of Financial Institutions for approval of their proposed conversion from a federal to a state charter. Tech is a federal credit union, chartered, regulated, and insured by the National Credit Union Administration (NCUA). As of December 31, 1996, Tech had total assets of \$156 million and total equity capital of \$14 million. The board of directors of Tech adopted a resolution on November 4, 1996, which authorized Michael Hussey, President of the credit union to pursue all of the necessary regulatory approvals to accomplish a conversion from federal to state charter.

Upon conversion, Tech will be governed by the provisions of IC 28 applicable to state chartered credit unions. As a state chartered credit union, Tech will be regulated by the Department of Financial Institutions and insured by the National Credit Union Share Insurance Fund. In order to convert to a state chartered credit union, Tech must follow the conversion statutes contained within IC 28 and the Federal Credit Union Act.

Mr. Powell informed the Members that an examination of Tech by the Department commenced on January 21, 1997. Overall, Tech was considered to be fundamentally sound

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with adequate capital and earnings and minimal asset quality problems. As a result of the examination, Tech was assigned a Satisfactory CAMEL rating.

Mr. Powell informed the Members that it was determined by the Department staff that the proposed conversion of Tech Federal Credit Union to an Indiana state charter meets the requirements of IC 28-7-1-29. The Department's Report of Examination of the applicant and the investigation by the staff has concluded that the resulting Indiana state chartered credit union will be operated in a safe, sound, and prudent manner.

Based upon the aforementioned findings, the staff recommended that the proposed conversion of Tech Federal Credit Union be approved.

After Mr. Powell's presentation, several questions were raised concerning the application. The discussion was led by Mr. Hasten and Mr. Rice. The following questions were discussed by the Members, the staff, and the individuals representing Tech Federal Credit Union:

- 1) The risk exposure of the credit union in regard to the investment portfolio.
- 2) The results of the vote by the membership of Tech to approve the conversion.
- 3) How would the out of state branches of the credit union be dealt with.
- 4) Due to this proposed conversion does the Department have any risk of being affected by the lawsuit currently being argued in the federal court system.

**Mr. Rice made a motion for approval which was seconded by Mr. Lowery. The motion to approve the conversion of Tech Federal Credit Union to Indiana state charter was unanimously approved.**

**DIRECTOR'S COMMENTS AND REQUESTS**

- A) Donna R. Kaye, Assistant to the Supervisor, Consumer Credit Division was unable to attend the Members Meeting. She will inform the Members of highlights of the Indiana Uniform Consumer Credit Code 1996 Annual Report to the Governor at the next scheduled Members Meeting. **This item will be for informational purposes only.**

- B) Secretary, J. Philip Goddard was on the agenda to update the Members on legislation issues but could not attend due to a hearing that he had to attend. Director Charles Phillips informed the Members that the Department had three bills which were all three voted out of the House Financial Institutions Committee 12-0. The bills were as follows:

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- 1) Consumer Credit Corrections Updating Bill
  - 2) State Chartered Building & Loan Association
  - 3) The third Bill was sort of an omnibus Bill with technical changes to conform with Federal law or parallel Federal law, but most important, it extended under the federal Reigle- Neal Act for state banks the requirements for reciprocity in interstate branching that allows interstate de novo branching into Indiana only from states that allow Indiana banks to de novo. Michigan already participates and Ohio will be doing this for sure sometime this year. Kentucky and Illinois have already indicated that they do not plan to. Director Phillips stated it was very important that this Bill was passed to prevent Illinois from branching into Indiana when Indiana state banking organizations cannot branch into Illinois. **This item was for informational purposes only.**
- C) **First Farmers Bank & Trust Company, Converse, Miami County, Indiana**  
The bank notified the Department that they have closed the branch banking office which was known as the **Sharpsville Branch Officer** located at **108 South Main Street, Sharpsville, Tipton County, Indiana**. The branch office was closed on **November 27, 1996 @ 5:00 P.M.** **This item was for informational purposes only.**
- D) **The Farmers State Bank, Sweetser, Grant County, Indiana**  
The bank notified the Department that they have closed the branch banking office which was known as the **Sweetser Branch** located at **13 North Main Street, Sweetser, Grant County, Indiana**. The branch office was closed on **December 31, 1996 @ 11:00A.M.** **This item was for informational purposes only.**
- E) **First of America Bank-Indiana, Indianapolis, Marion County, Indiana**  
The bank notified the Department that they closed the branch banking office which was known as the **Mounds Mall Branch** located at **2101 South State Road 9, Anderson, Madison County, Indiana**. The branch office was closed on **January 17, 1997 @ 5:00 P.M.** **This item was for informational purposes only.**

- F) **First of America Bank-Indiana, Indianapolis, Marion County, Indiana**  
The bank notified the Department that they closed the branch banking office which was known as the **Denver Branch** located at **179 Harrison, Denver, Miami County, Indiana**. The branch office was closed on **January 17, 1997 @ 5:00 P.M.** This item was for informational purposes only.

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- G) **First of America Bank-Indiana, Indianapolis, Marion County, Indiana**  
The bank notified the Department that they closed the branch banking office which was known as the **Walgreen's Office** located at **414 South College Avenue, Rensselaer, Jasper County, Indiana**. The branch office closed on **January 31, 1997 @ 5:00 P.M.** This item was for informational purposes only.
- H) Director Phillips advised the Members of actions taken pursuant to delegated authority and asked for any questions regarding clarifications of the actions, which are as follows:

### **BANK DIVISION**

- 1) **THE VEEDERSBURG STATE BANK, VEEDERSBURG, FOUNTAIN COUNTY, INDIANA**  
The bank has applied to the Director for approval to amend Article 1 of its Articles of Incorporation. Approval of the amendment will allow the bank to change its name to "**CentreBank.**" The effective date of the amendment is to be March 1, 1997. **The request to amend Article (1) of the Articles of Incorporation was approved by Action Taken by the Director on November 20, 1996.**
- 2) **STATE BANK OF OXFORD, OXFORD, BENTON COUNTY, INDIANA**  
The bank has applied to the Department for permission to amend Article 5 of its Articles of Incorporation. The amendment states The number of Directors of said Bank be not less than five (5) or more than nine (9) members. **The request to amend Article (5) of the Articles of Incorporation was approved by Action Taken by the Director on November 20, 1996.**
- 3) **PEOPLE'S BANK & TRUST COMPANY, MT. VERNON, POSEY COUNTY, INDIANA**  
The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request proposes a fourth quarter \$700,000

cash dividend to its holding company Old National Bancorp, Evansville, Indiana. As of June 30, 1996, the bank's Tier I capital ratio is 9.51%. On a pro forma basis after the \$700M dividend the bank expects the Tier 1 capital ratio to be 8.97%. The bank's average three-year ROA is 1.82%. **The dividend request was approved by Action Taken by the Director on November 20, 1996.**

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4) **SECURITY BANK & TRUST COMPANY, VINCENNES, KNOX COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request proposes a fourth quarter \$850,000 cash dividend to its holding company Old National Bancorp, Evansville, Indiana. As of June 30, 1996, the bank's Tier I capital ratio is 10.01%. On a pro forma basis after the \$850M dividend the bank expects the Tier 1 capital ratio to be 9.52%. The bank's average three-year ROA is 1.16%. **The dividend request was approved by Action Taken by the Director on November 20, 1996.**

5) **INDIANA COMMUNITY BANK, LEBANON, BOONE COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at **1700 Crawfordsville Square Drive, Crawfordsville, Montgomery County, Indiana**. The application was received on October 30, 1996, and the branch will be known as **Crawfordsville Kroger Store Banking Center**. The proposed branch is a 346 square foot office inside a Kroger Grocery Store. The bank is leasing the space from Kroger Company, Central Indiana, Indianapolis, Indiana, with an annual rental of \$24M. No insider relationship exists between any insiders of the bank and any of the parties involved. It is estimated that there will be \$60M worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures and equipment costs are approximated at \$65M. The bank received a Satisfactory CAMEL rating as a result of a Federal Deposit Insurance Corporation examination as of March 31, 1996. The bank's three-year average ROA is 0.46%. As of June 30, 1996, the Tier 1 leverage capital ratio is 12.51%. The investment in total fixed assets to total capital will increase from 9.86% to 10.92% following the establishment of the proposed branch. This will be the institution's fourth branch. **The request to establish a branch banking office was approved by the Director under Delegated Authority on November 20, 1996.**

6) **STOCK YARDS BANK & TRUST COMPANY, AUSTIN, SCOTT COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at **305 East Highway 131, Clarksville, Clark County, Indiana**. The application was received on November 1, 1996, and the branch will be known as **Clarksville Banking**

**Center, Stock Yards Bank & Trust Company** . The proposed branch is a 5,460 square foot banking building to be constructed on an outlot in the K-Mart parking lot. The bank is leasing the space from Dancor Inc., Louisville, Kentucky, with a minimum annual rental of \$45M for the first five years, \$50M for the second five years and \$55M for the third five years plus the amortization of all the costs of the building and improvements paid by the landlord to construct the new bank building according to tenant's specifications. No insider relationship exists between any insiders of the bank and any of the parties involved.

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Furniture, fixtures and equipment costs are approximated at \$250M. Before opening the proposed branch, the bank intends to open a temporary branch site in a trailer at the proposed site. Depending on the timing of the construction, this temporary branch office will be used for three to six months. The bank received a Satisfactory CAMEL rating as a result of a DFI examination as of September 30, 1995. The bank's three-year average ROA is 0.42%. As of June 30, 1996, the Tier 1 leverage capital ratio is 20.70%. The investment in total fixed assets to total capital will increase from 2.51% to 16.47% following the establishment of the proposed branch. This will be the institution's first branch. **The request to establish a branch banking office was approved by the Director under Delegated Authority on November 20, 1996.**

**7) THE NORTH SALEM STATE BANK, NORTH SALEM, HENDRICKS COUNTY, INDIANA**

The bank has entered into a Purchase and Assumption Agreement with National City Bank of Indiana, Indianapolis, Indiana, dated September 3, 1996, whereby the bank will purchase approximately \$3MM in cash, \$29M in premises and equipment and will assume approximately \$3,200M in deposits through its acquisition of National City Bank's branch in Waveland, Montgomery County, Indiana. The bank will pay a deposit premium of 5%, or \$160M, of total deposits.

The bank has applied for approval to establish a full service branch banking office to be located at **206 North Cross Street, Waveland, Montgomery County, Indiana**. The application was received on September 23, 1996, and the branch will be known as **The North Salem State Bank - Waveland Office** . The proposed branch is a two story brick building with approximately 1,120 square feet. The bank will book approximately \$34M for the building and land acquisition. The total cost to the bank for furniture, fixture, and equipment is approximately \$12M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a Satisfactory CAMEL rating as a result of a DFI examination as of September 30, 1995. The bank's three-year average ROA is 1.05%. As of June 30, 1996, the ROA is 0.68% and the Tier 1 leverage capital ratio is 7.83%. Although currently at acceptable levels, ROA and Tier 1 leverage capital have exhibited declining trends since 1993. The investment in total fixed assets to total capital will also increase from a higher than desirable 32.98% to 34.09% following the establishment of



the proposed branch.

Because the bank has experienced a declining trend in ROA and Tier 1 Leverage Capital during the past three and half years, primarily because of previous branching activity, and the effects this branch acquisition is projected to have on the bank's capital position, the Department requested a Capital Plan be adopted by the board of directors. At a special meeting of the board of directors of The North Salem State Bank held on November 13, 1996, the following Capital Plan was adopted:

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**The North Salem State Bank (Hereafter Bank) is to maintain a Tier 1 Leverage Ratio of 7.50%, and such ratio be measured at the end of each quarter in the Call Report. If, at the end of any quarter, the ratio is less than 7.50%, then the bank shall have 30 days to notify the Department of Financial Institutions (Hereafter DFI) of its plans to add sufficient capital to raise the ratio to 7.50% by the end of that quarter.**

**Subject to approval by the DFI, it is understood that if the bank maintains a return on assets at 1.00 or above for four consecutive quarters, this Capital Plan shall no longer be in effect.**

The board of directors of The North Salem State Bank's holding company, The North Salem State Bancorporation, adopted the same resolution at a special meeting held on November 13, 1996. This will be the institution's fourth branch. **The request to establish a branch banking office was approved by the Director under Delegated Authority on November 25, 1996, with the commitment to maintain Tier 1 leverage capital at 7.50%.**

**8) ANDERSON COMMUNITY BANK, ANDERSON, MADISON COUNTY, INDIANA**

The bank has applied for approval to establish two full service branch banking offices. Both applications were received by the Department on November 11, 1996. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted jointly by the FDIC and the DFI as of December 31, 1995. As of June 30, 1996, Tier 1 leverage capital ratio is 16.20%, and the bank's ROA is 0.51%. The investment in total fixed assets to total capital will increase from 9.74% before the addition of the two proposed branches to 14.04% following the two branches.

Because of the significant growth this new bank has experienced, the board of directors approved on October 15, 1996, to proceed with a \$1,500,000.00 rights offering. The offering is expected to commence in March of 1997 and conclude in May of 1997. Only existing shareholders will have the opportunity to purchase the stock.

The first branch will be temporarily located at **2009 University Boulevard, Anderson,**

**Madison County, Indiana** and will be known as **University Branch**. The permanent facility is located immediately west of the temporary location. When completed, the permanent facility will have approximately 1,500 square feet. The bank will lease the permanent facility from Resource Development Properties, Inc., Anderson, IN. The term of the lease is from March 1, 1997, through February 28, 2012. Monthly rent for the first three years is \$1,800.00 and gradually increases to \$2,800.00 per month for the final three years of the lease. The estimated total cost for leasehold improvements is \$40M and furniture, fixtures, and equipment expense is estimated at \$127M. This will be the institution's second branch.

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Until the permanent facility is completed, the bank will lease a mobile temporary bank facility from Ron Henry Associates, Pittsburgh, PA. Monthly lease payments are \$2,310.00 for four months beginning December 30, 1996 and \$1,125.00 for each month thereafter. The bank will lease 2,000 square feet of paved parking area at the 2015 University Blvd. location from Resource Development Properties, Inc. to set the mobile facility. The terms of the lease are \$200 per month and runs from November 30, 1996, to June 30, 1997, with an option for an addition six month period. **The request for a temporary branch until the permanent facility is completed was approved by the Director under Delegated Authority on December 2, 1996.**

9) **ANDERSON COMMUNITY BANK, ANDERSON, MADISON COUNTY, INDIANA**

The second branch is a **temporary facility** to be located at **3826 Main Street, Anderson, Madison County, Indiana**, and will be known as **Southgate Office**. The bank is purchasing a mobile banking facility from Ron Henry Associates, Pittsburgh, PA, for \$47,000.00. The bank will lease space in the parking lot at the aforementioned location from American Laundry, Inc. for \$300.00 per month. The terms of the lease runs from December 1, 1996, to December 1, 1997, with a one year renewal option. The bank plans to enter into negotiations with another banking institution in town to purchase a facility near this location which they are closing. If an agreement cannot be negotiated within one year, the bank will pursue other options. **The request for a temporary facility until a permanent facility is established was approved by the Director under Delegated Authority on December 2, 1996.**

10) **FIRST-CITIZENS BANK & TRUST COMPANY, GREENCASTLE, PUTNAM COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request proposes a fourth quarter \$700,000 cash dividend to its holding company Old National Bancorp, Evansville, Indiana. As of June 30, 1996, the bank's Tier I capital ratio is 9.65%. On a pro forma basis after the \$700M dividend the bank expects the Tier 1 capital ratio to be approximately 9.48%. The bank's average three-year ROA is 1.03%. **The dividend request was approved by Action Taken by the Director on December 2, 1996.**

11) **THE CITIZENS EXCHANGE BANK, FAIRMOUNT, GRANT COUNTY, INDIANA**

The bank has applied to the Department pursuant to IC 28-13-3-3 for approval to acquire up to 212 shares of outstanding common stock. The Board of Directors adopted the resolution to purchase the shares on December 17, 1996. Any share so acquired by the bank is to be canceled. The bank will offer to purchase the stock for \$1,300.00 per share or approximately 59.36% of book value. Should all 212 shares be acquired, the bank's capital will decrease \$275,600.00. The bank's offer to purchase the outstanding shares expires at 12:00 noon, March 31, 1997. As of June 30, 1996, the bank's Tier I capital ratio is 10.20%. On a pro forma basis after the \$276M decrease in capital, the bank's Tier 1 capital ratio

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would be approximately 9.54%. The bank's average three-year ROA is 0.79%. After the stock is acquired, the bank will be required to amend its Articles of Incorporation to reflect the change in the number of shares of common stock authorized. **The request for the bank to acquire shares of outstanding stock was approved by Action Taken by the Director on December 19, 1996.**

12) **THE PEOPLES BANK & TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has requested approval to invest in a limited partnership in excess of the 5% of capital and surplus limitation imposed by IC 28-1-11-3.1. The proposed investment of \$800,000 would result in total investments in low income housing projects of approximately \$2,300,000; 5% of the bank's capital and surplus as of September 30, 1996 is @2,039,350. The potential loss of investment would not diminish the adequacy of the bank's capital, and the investment does not pose a significant risk to the deposit insurance fund. **The request for the bank to invest in a limited partnership was approved by Action Taken by the Director on December 19, 1996.**

13) **CENTIER BANK, WHITING, LAKE COUNTY, INDIANA**

The bank has applied for approval to establish a full service branch banking office to be located at **1605 Calumet Avenue, Valparaiso, Porter County, Indiana**. The application was received on December 2, 1996, and the branch will be known as **Valparaiso Town & Country Office**. The proposed branch is a 515 square foot office inside a Town & Country Market. The bank is leasing the space from International Banking Technologies, Inc., Atlanta, Georgia, with an annual rental of \$27M for the first year and \$30M for the second through the fifth years of the lease. No insider relationship exists between any insiders of the bank and any of the parties involved. It is estimated that there will be \$75M worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures and equipment costs are approximated at \$175M. The bank received a Satisfactory CAMEL rating as a result of a DFI examination as of September 30, 1995. The bank's three-year average ROA is 1.12%. As of June 30, 1996, the Tier 1 leverage capital ratio is 6.22%. The

investment in total fixed assets to total capital will increase from 18.63% to 20.31% following the establishment of the proposed branch. This will be the institution's twenty-second branch. **The request to establish a branch banking office was approved by the Director under Delegated Authority on December 20, 1996.**

- 14) **THE PEOPLES STATE BANK, ELLETTSVILLE, MONROE COUNTY, INDIANA**  
The bank has applied for approval to establish a full service branch banking office to be located at **R.R.#1 (Southeast corner of State Road 67 and Border Street), Paragon, Morgan County, Indiana**. The application was received on November 28, 1996, and the branch will be known as **Paragon Branch**. The proposed branch is a 2,000 square foot one story brick building. A wholly owned subsidiary of the bank's holding company, Paragon Properties, Inc., will purchase the building for the branch from Key Bank,

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Cleveland, Ohio. Paragon Properties, Inc. then will lease the building to the bank for \$12,000 per year or \$6.00 per square foot. Upon request the bank provided an independent analysis of comparable leased property in the Morgan County area. The independent analysis showed that the proposed price per square foot to be charged was as beneficial to the bank as any other leased property in the Morgan County area. Furniture, fixtures and equipment costs are approximated at \$50M. The bank received a Satisfactory CAMEL rating as a result of a DFI examination as of March 31, 1996. The bank's three-year average ROA is 1.15%. As of June 30, 1996, the Tier 1 leverage capital ratio is 8.09%. The investment in total fixed assets to total capital will increase from 34.06% to 34.56% following the establishment of the proposed branch. This will be the institution's sixth branch. **The request for the bank to establish a branch banking office was approved by the Director under Delegated Authority on December 20, 1996.**

- 15) **BLOOMFIELD STATE BANK, BLOOMFIELD, GREENE COUNTY, INDIANA**  
The bank has entered into a Purchase and Assumption Agreement with First National Bank, Mitchell, Indiana, dated September 16, 1996, whereby the bank will purchase approximately \$1,473M in land and buildings, \$195M in furniture, fixtures and equipment, \$250M cash and will assume approximately \$3.5MM in deposits through its acquisition of two First National Bank's branch in Bloomington, Monroe County, Indiana. The bank will pay a deposit premium of 6%, or \$208M, of total deposits.

The bank has applied for approval to establish a full service branch banking office to be located at **2808 East 3rd Street, Bloomington, Monroe County, Indiana**. The application was received on October 18, 1996, and the branch will be known as **Bloomington Branch - Pete Ellis Drive**. The proposed branch is a 1,400 square foot branch located in a strip mall. Through the Purchase and Assumption Agreement applicant will assume the lease of the proposed branch. The bank will lease the space from Norman W. Deckard, Bloomington, Indiana, with an annual rental of \$18M. No insider relationship exists between any insiders of the bank and any of the parties involved. Furniture, fixtures and equipment costs are

approximated at \$68M. The bank received a Satisfactory CAMEL rating as a result of a Federal Deposit Insurance Corporation examination as of September 30, 1995. The bank's three-year average ROA is 1.29%. As of June 30, 1996, the ROA is 1.28% and the Tier 1 leverage capital ratio is 9.82%. The investment in total fixed assets to total capital will also increase from 12.39% to 21.71% following the establishment of the proposed branch. This will be the institution's seventh branch. **The request for the bank to establish a branch banking office was approved by the Director under Delegated Authority on December 20, 1996.**

**16) BLOOMFIELD STATE BANK, BLOOMFIELD, GREENE COUNTY, INDIANA**

As a part of the Purchase and Assumption Agreement dated September 16, 1996, with First National Bank, Mitchell, Indiana, the bank has applied for approval to establish a full service branch banking office to be located at **2111 Liberty Drive, Bloomington, Monroe County,**

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**Indiana.** The application was received on October 18, 1996, and the branch will be known as **Bloomington Branch - Liberty Drive**. The proposed branch is a 3,500 square foot branch building. The bank will purchase the proposed land and building from First National Bank for \$1,473M. The total cost to the bank for furniture, fixture, and equipment is approximately \$127M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a Satisfactory CAMEL rating as a result of a Federal Deposit Insurance Corporation examination as of September 30, 1995. The bank's three-year average ROA is 1.29%. As of June 30, 1996, the ROA is 1.28% and the Tier 1 leverage capital ratio is 9.82%. The investment in total fixed assets to total capital will also increase from 12.39% to 21.71% following the establishment of the proposed branch. This will be the institution's eighth branch. **The request for the bank to establish a branch banking office was approved by the Director under Delegated Authority on December 20, 1996.**

**17) THE CYNTHIANA STATE BANK, CYNTHIANA, POSEY COUNTY, INDIANA**

The bank has applied to the Director for approval to amend Article 1 of its Articles of Incorporation. Approval of the amendment will allow the bank to change its name to **"CSB State Bank."** **The request to amend Article (1) of the Articles of Incorporation was approved by Action Taken by the Director on January 10, 1997.**

**18) SECURITY BANK & TRUST COMPANY, VINCENNES, KNOX COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay cash dividends in 1997 not to exceed \$3,600,000 to its holding company, Old National Bancorp, Evansville, Indiana. The bank is projecting net income of \$2,220,000 for 1997. As of September 30, 1996, the bank's Tier I capital ratio is 9.87%. It is the bank's intent that Tier 1 capital will

not fall below 8%. The bank's average three-year ROA is 1.16%. **The dividend request was approved by Action Taken by the Director on January 16, 1997.**

19) **DFI FORM 1011.AMD**

The Staff of the Department is requesting approval of **DFI Form 1011.amd** which is required for a Foreign Corporation to expand the business it transacts in the state of Indiana pursuant to IC 28-1-22-15 et seq. The effective date of the form will be January 16, 1997. **The request for approval of DFI Form 1011.amd was approved by Action Taken by the Director on January 16, 1997. A copy of the form will be made part of the official Minute Book.**

20) **PEOPLE'S TRUST COMPANY, BROOKVILLE, FRANKLIN COUNTY, INDIANA**

The bank has entered into a branch purchase and assumption agreement dated November 14, 1996, with Madison First Federal Savings & Loan Association, Madison, Indiana, whereby

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the bank will purchase approximately \$6,916M in cash and \$230M in fixed assets and will assume potentially \$7,500M in deposits. The bank will pay a deposit premium equal to 4.72% if total Core Deposit Liabilities equal \$6.5 million or greater, a deposit premium of 3.78% if total Core Deposit Liabilities are excess of \$5 million but less than \$6.5 million, and no premium if Core Deposit Liabilities are \$5 million or less.

The bank has applied for approval to establish a full service branch banking office to be located at **136 Thornton Road, Hanover, Jefferson County, Indiana**. The application was received on December 23, 1996, and the branch will be known as **Peoples Trust Company**. The proposed branch is a 5,166 square foot building. The bank will pay \$200M for the land and building and \$30M for furniture, fixtures, and equipment. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a Satisfactory CAMEL rating as a result of a DFI examination as of September 30, 1995. The bank's three-year average ROA is 1.21%. As of September 30, 1996, the Tier 1 leverage capital ratio is 6.91%. The investment in total fixed assets to total capital will increase from 16.31% to 17.41% following the establishment of the proposed branch. This will be the institution's sixteenth. **The request to establish a branch banking office was approved by the Director under Delegated Authority on January 31, 1997.**

21) **THE CYNTHIANA STATE BANK, CYNTHIANA, POSEY COUNTY, INDIANA**

The bank has applied for approval to establish a banking facility to be located at **107 Hart Street, Princeton, Gibson County, Indiana**. The application was received on December 17, 1996. The branch will be known as **CSB State Bank - Princeton Branch**. (The bank received approval from the Department on January 10, 1997, to Amend its Articles of Incorporation to change the name of the bank to The CSB State Bank. The effective date for the name change is January 22, 1997.) The proposed branch is a 3,087 square foot building

which was previously used as a branch office of another financial institution. The bank is purchasing the land and building from CNB Bancshares, Inc., Evansville, IN. The total purchase price is \$270,000.00. Furniture, fixtures, and equipment are estimated to cost \$50M. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of a DFI examination as of March 31, 1996. The bank's three-year average ROA is 1.20%. As of September 30, 1996, the Tier I leverage capital ratio is 10.36%. The investment in total fixed assets to total capital will increase from 14.61% to 18.17% following the establishment of the branch. After the establishment of the branch, the institution will have three branches. **The request to establish a branch banking office was approved by the Director under Delegated Authority on January 31, 1997.**

22) **THE FOUNTAIN TRUST COMPANY, COVINGTON, FOUNTAIN COUNTY, INDIANA**

The bank has applied for approval to establish a banking facility to be located at **108 N. Vine Street, Waynetown, Montgomery County, Indiana**.  
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**Street, Waynetown, Montgomery County, Indiana.** The application was received on December 19, 1996. The branch will be known as **Waynetown Branch**. The proposed branch is a 1,500 square foot banking building to be constructed on a downtown lot. The bank has entered into a option to purchase the property from American National Feed & Mineral Corporation, Waynetown, Indiana for \$25M. The estimated cost for constructing the branch is \$150M. Furniture, fixtures, and equipment are estimated to cost \$100M. American National Feed & Mineral Corporation is controlled by direct ownership by Luke White, Chairman of the Board of the bank, and by Mr. White's ownership in W.N. White Farms, Inc., a stockholder of American National Feed & Mineral Corporation. The option to purchase the property for \$25M was based on an independent appraisal dated December 17, 1996. In addition, the appraisal provided an independent analysis of comparable property in the Waynetown area. The independent analysis showed that the price for the property was as beneficial to the bank as any other property in the Waynetown area. Before opening the proposed branch, the bank intends to open a temporary branch site in a commercial building located at **105 N. Vine Street, Waynetown, Montgomery County, Indiana**. The bank will lease the temporary site from Henry Monroy, Waynetown, Indiana for \$300 per month. The bank received a satisfactory CAMEL rating as a result of a DFI examination as of December 31, 1995. The bank's three-year average ROA is 1.18%. As of September 30, 1996, the Tier I leverage capital ratio is 21.41%. The investment in total fixed assets to total capital will increase from 1.98% to 3.39% following the establishment of the branch. After the establishment of the branch, the institution will have four branches. **The request to establish a branch banking office was approved by the Director under Delegated Authority on January 31, 1997.**

23) **ST. JOSEPH CAPITAL BANK, MISHAWAKA, ST. JOSEPH COUNTY, INDIANA**

The bank, a newly chartered commercial bank approved by the DFI on August 8, 1996, plans

to open its doors to the public February 13, 1997, has applied to establish a mobile branch. The application was received on January 2, 1997. As contemplated in their formation application, the bank will occupy one location and will service clients utilizing a courier service. The permanent location for the bank will be 3820 Edison Lakes Parkway, Mishawaka, St. Joseph County, Indiana. A temporary location has been established at 4101 Edison Lakes Parkway, Suite 325, Mishawaka, St. Joseph County, Indiana until the bank's permanent location is ready. Specifically the courier service will be available to service St. Joseph, Elkhart, Marshall, LaPorte and Kosciusko counties in Indiana and St. Joseph, Berrien and Cass counties in Michigan.

The bank will utilize one bonded driver and one unmarked automobile with a small lockbox bolted to the floor. The automobile will be equipped with a cellular phone and an alarm system. Clients will utilize sealed, tamper-proof, disposable depository bags to transmit their transactions. A cash limit of \$1,000 per pick up will be enforced. A detailed tracking system will be implemented in order to establish an audit trail. The bank will maintain the appropriate insurance coverage, bond, crime, general liability and automobile

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comprehensive, to ensure the safety of customer deposits and transactions in transit. The applicant has complied with all of the statutory requirements of IC 28-2-13 and 28-2-18. **The request for a mobile branch was approved by the Director under Delegated Authority on January 31, 1997.**

- 24) **BIPPUS STATE BANK, BIPPUS, HUNTINGTON COUNTY, INDIANA**  
The bank has applied for approval to relocate its main office from **9001 W. 800 N., Bippus, Huntington County, Indiana** to **150 Hauenstein Road, Huntington, Huntington County, Indiana**. The application was received on December 16, 1996. The proposed main office will consist of constructing a new main office on land already owned by the bank and being used as a current branch site. The proposed 8,185 square foot main office will cost approximately \$1,135M to construct. Furniture, fixtures, and equipment will cost approximately \$165M.. No insider relationship exists between any insiders of the bank and any of the parties involved. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the DFI as of December 31, 1995. The bank's three-year average ROA is 1.00%. As of September 30, 1996, the Tier I leverage capital ratio is 9.13%. The investment in total fixed assets to total capital will increase from 13.09% before the proposed relocation of the main office to 42.08% following the relocation of the main office. The current main office will be used as a branch known as the **"Bippus Office"**. **The request for the relocation of the main office was approved by the Director under Delegated Authority on January 31, 1997.**



## **DIVISION OF CREDIT UNIONS**

1) **ANDERSON POST OFFICE CREDIT UNION, ANDERSON, MADISON COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Kato Design Studio - Anderson - 3 members  
Designs Plus - Anderson - 3 members  
Concentrec Computer Services - Anderson - 11 members  
Rangeline Community Center - Anderson - 2 members  
Rush Temporaries, Inc. - Anderson - 436 members

**The request was approved by the Director under Delegated Authority on November 18, 1996.**

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2) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Eastern Pulaski Community School Corporation - Winamac - 168 members  
Michiana Marlins Swim Club, Inc. - South Bend - 5 members  
Project SEED, Inc. - Indianapolis - 10 members  
A Little Something...Something - Indianapolis - 1 member  
Team Food Service, Inc. - Michigan City - 333 members  
Steve Howard Construction - Grovertown - 2 members  
L&M Stump Grinding - Osceola - 1 member  
Our CommUNITY - Indianapolis - 8 members  
Redeemer Community Christian School, Inc. - Elkhart - 13 members

**The request was approved by the Director under Delegated Authority on December 3, 1996.**

3) **TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field

of membership of the credit union:

Grace Fellowship Church - Bremen - 66 members  
Anacomp, Inc. - Carmel - 2,025 members  
Manpower, Inc. - Crawfordsville - 300 members  
JLS Design - Edwardsburg, MI - 1 member  
Deford Custom Flutes, Inc. - Elkhart - 1 member  
Donna Ainsworth Insurance Agency - Elkhart - 2 members  
Herb's Painting and Cleaning Co. - 5 member  
PEM/NZ Associates 1776 - South Bend - 7 members  
American Tire & Auto Center - Plymouth - 7 members

**The request was approved by the Director under Delegated Authority on January 2, 1997.**

4) **KEMBA INDIANAPOLIS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of

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Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Planes Moving & Storage of Indianapolis, Inc. - Indianapolis - 52 members

**The request was approved by the Director under Delegated Authority on January 2, 1997.**

5) **INDIANA POSTAL & FEDERAL EMPLOYEES CREDIT UNION, FORT WAYNE, ALLEN COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Connor Law Office - Fort Wayne - 1 member  
Snelling Personnel Services - Fort Wayne - 100 members  
Victor Personnel - Fort Wayne - 100 members

The request was approved by the Director under Delegated Authority on January 7, 1997.

6) **ELKHART COUNTY FARM BUREAU CREDIT UNION, GOSHEN, ELKHART COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Thor Indiana, Inc. - Bristol - 123 members  
Aero Manufacturing, Inc. - Syracuse - 110 members  
Dutchmen Manufacturing, Inc. - Goshen - 538 members

The request was approved by the Director under Delegated Authority on January 9, 1997.

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7) **MARTIN COUNTY COOPERATIVE CREDIT UNION, LOOGOOTEE, MARTIN COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union:

Loogootee Community School Corporation - Loogootee - 105 members

The request was approved by the Director under Delegated Authority on January 17, 1996.

8) **WABASH COUNTY FARM BUREAU CREDIT UNION, WABASH, WABASH COUNTY, INDIANA**

Request for approval of an application to establish a drive-up branch facility at 121 Southwood Drive, Wabash, Indiana.

The request was approved by the Director under Delegated Authority on January 24, 1997.

9) **CITIZENS GAS UTILITY CREDIT UNION, INDIANAPOLIS, MARION COUNTY,**

## **INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Remittance Processing Services, LLC - Indianapolis - 20 members

CIGMA, LLC - Indianapolis - 25 members

**The request was approved by the Director under Delegated Authority on January 27, 1997.**

### **10) HUNTINGTON COUNTY FARM BUREAU CREDIT UNION, HUNTINGTON, HUNTINGTON COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

LaFontaine Golf Club (employees only) - Huntington - 25 members

Shear Elegance - Huntington - 5 members

**The request was approved by the Director under Delegated Authority on February 3, 1997.**

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## **DIVISION OF CONSUMER CREDIT**

- 1) Paradise Audio & Musical Instrument, Inc. is requesting a pawnbroker license. They are based in Warsaw. They are currently registered with this Department for the retail sale of musical instruments as well as a registration under the rental purchase act. A personal interview was made with the officers of the corporation who are a father and son. All references are in order. There is one (1) other pawn shop in Warsaw. Applicant has met all of the qualifications under the statute. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 2) Lone Star Investments, Inc. is requesting a check cashing license. They will be based in Bloomington. All references are in order. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 8, 1996.**
- 3) Lone Star Investments, Inc. is requesting a consumer loan license. They will be making pay day loans. Applicant is aware of the disclosure requirements, maximum rates, etc. for this

specialized type of loan. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**

- 4) American Home Funding, Inc. is requesting a consumer loan license. They are based in Richmond, Virginia. Applicant will have four (4) locations in Indiana. They are a subsidiary of Rochester Community Savings Bank. An FDIC insured state chartered bank. Applicant operates in 15 states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 5) Independent Realty Capital Corporation d/b/a Independent Mortgage Company is requesting a consumer loan license. They are based in Orange, California. Applicant will use local title companies to close second mortgage loans. They currently operate in five (5) states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 6) Parkway Mortgage, Inc. is requesting a consumer loan license. They are based in Kenilworth, New Jersey. Will be using local title companies to close second mortgage loans. Currently they operate in nine (9) states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**

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- 7) Seacoast Equities, Inc. is requesting a consumer loan license. They are based in La Mesa, California. Will be using local title companies or attorneys to close second mortgage loans. They currently operate in six (6) states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 8) Ditech Funding Corporation is requesting a consumer loan license. They are based in Irvine, California. Will be using local attorneys or title companies to close second mortgage loans. Applicant operates in 48 states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 9) TCB Finance, Inc is requesting a consumer loan license. They are a subsidiary of TCB State chartered bank of Tell City. They plan to make direct loans and purchase retail contracts. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**

- 10) Crestar Mortgage Corporation is requesting a consumer loan license. They are based in Richmond, Virginia. Will be using local attorneys/title companies to close second mortgage loans. Applicant currently operates in 22 states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 11) National Consumer Services Corp., L.L.C. is requesting a consumer loan license. They are based in Atlanta, Georgia. Applicant will be using local attorneys/title companies to close second mortgage loans. They currently operate in 12 states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 12) National Equity Corporation is requesting a consumer loan license. They are based in Costa Mesa, California. Applicant will be using local title companies for closing. They currently operate in four (4) states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 13) American Unified Mortgage, Inc. is requesting a consumer loan license. They are based in Oceanside, California. Applicant will be using local title companies for closing second mortgage loans. They currently operate in two (2) states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**

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- 14) Shelter Mortgage Company, L.L.C. is requesting a consumer loan license. They are based in Wisconsin. Applicant is a subsidiary of Guaranty Bank which is a state chartered savings bank in Wisconsin. Applicant will have one (1) location in Mishawaka, Indiana, where first and second mortgage loans will be made. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 8, 1996.**
- 15) Block Mortgage Company, L.L.C. is requesting a consumer loan license. They are based in Kansas City, Missouri. Applicant will be making second mortgage loans using ten (10) existing H&R Block tax preparation offices in Indiana. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 16) Access Financial Lending Corp. is requesting a consumer loan license. They are based in St.

Louis Park, Minnesota. Applicant will be using local title companies to close second mortgage loans. They currently operate in 32 states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**

- 17) River City Pawnbrokers, Inc. is requesting a consumer loan license. They will be making short-term, pay-day loan type transactions. Applicant is aware of the disclosure requirements and maximum rate limitations on these transactions. Applicant has been a licensed pawnbroker since April of 1994. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 18) Rosslare Funding, Inc. is requesting a consumer loan license. They are based in Fullerton, California. Applicant will be making second mortgage loans using local title companies for closing. They currently operate in four (4) states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18,**
- 19) WMA Mortgage Service, Inc. is requesting a consumer loan license. They are based in Norcross, Georgia. Applicant will be making second mortgage loans using local title companies for closing. They are currently operating in Utah, but are making application in all 50 states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**

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- 20) Smith Rothchild Financial Company is requesting a consumer loan license. They are based in Chicago. Applicant will be making second mortgage loans using local title companies for closing. Applicant has operated solely in Illinois since 1986. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 21) Mortgage Corporation of America is requesting a consumer loan license. They are based in Southfield, Michigan. Applicant will be making second mortgage loans at one (1) location in Indianapolis. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 22) MCA Mortgage Corporation is requesting a consumer loan license. They are based in Southfield, Michigan. Applicant will be making second mortgage loans at four (4) locations in Indiana. They currently operate in eight (8) states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**

- 23) America's Moneyline, Inc. is requesting a consumer loan license. They are based in Glen Allen, Virginia. Applicant will be making second mortgage loans using local title companies for closing. They currently operate in nine (9) states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 24) First Home Acceptance Mortgage Corporation is requesting a consumer loan license. They are based in San Diego, California. Applicant will be making second mortgage loans using local title companies for closing. They currently operate in 9 states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on November 18, 1996.**
- 25) Thomas Dowden d/b/a Quick Cash is requesting a pawnbroking license. Applicant will be based in Monticello. A personal interview was made with Mr. Dowden. Mr. Dowden will be retiring from the Monticello police department. He and his wife have done some business as a second hand buyer/seller on a hobby type basis. All references are in order. There are 10 other pawn shops in Monticello. Applicant has met all of the qualifications under the statute. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on December 19, 1996.**
- 26) Southern Indiana Credit Corporation d/b/a Cash till Payday is requesting a consumer loan license. Applicant will be making pay day type loans in Lawrenceburg. They are aware of the disclosure requirements, maximum rates, etc. for this specialized type of loan. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority on December 19, 1996.**

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- 27) Cash Port, Inc. is requesting a consumer loan license. Applicant will be making pay day type loans in Kokomo. They are aware of the disclosure requirements, maximum rates, etc. for this type of loan. Principals of the business are also licensed loan brokers. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority on December 19, 1996.**
- 28) Fidelity Funding Mortgage Corporation is requesting a consumer loan license. They are based in Dallas, Texas. Applicant will be using local attorneys and title companies for closing second mortgage loans. They operate in 11 states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 29) First Government Mortgage and Investors Corporation is requesting a consumer loan license. They are based in Landover, Maryland. Applicant will be using local title companies for closing. They currently operate in Maryland, District of Columbia and Virginia. It is



recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**

- 30) Crossland Mortgage Corporation is requesting a consumer loan license. They are a subsidiary of First Security Bank of Utah, N.A. Applicant will be using local title companies to close second mortgage loans made under the FHA, Title 1, home improvement loans. They currently operate in most states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 31) Fairbanks Mortgage Bankers Corporation is requesting a consumer loan license. They are based in Waterbury, Connecticut. Applicant will be making second mortgage loans using local title companies for closing. They currently operate in 12 states. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 32) Mid-State Mortgage, Inc. is requesting a consumer loan license. The applicant is based in Frankfort, Indiana. They are currently licensed as a mortgage broker. Will be closing second mortgage loans in their name and then selling the majority of them in the secondary market. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 33) New Century Mortgage Corporation is requesting a consumer loan license. Applicant is based in Newport Beach, California. They currently operate in 5 states. Will be using local title companies to close second mortgage loans. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**

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- 34) Casey's, Inc. d/b/a Casey's Check Advance is requesting a consumer loan license. Applicant has purchased an existing pay day loan business in Evansville. Applicant is aware of the disclosure requirements, maximum rates, etc. for this specialized type of loan. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 35) Money Line Mortgage, Inc. is requesting a consumer loan license. Applicant is based in Denver, Colorado. They currently operate in 8 states. Will be using local title companies for closing second mortgage loans. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 36) ACP Enterprises, Inc. d/b/a Cash Now is requesting a consumer loan license. Applicant is

based in Leo, Indiana. Will be making pay day type loans. They are aware of the disclosure requirements, maximum rates, etc. for this specialized type of loan. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority December 19, 1996.**

- 37) Tim Denny & Jerry Denny d/b/a Southside Pawn Shop is requesting a consumer loan license. Applicant is currently licensed as a pawnbroker in Indianapolis. Want the option of making pay day type loans. They are aware of the disclosure requirements, maximum rates, etc. for this type of loan. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 38) Indiana Pawnbrokers, Inc. d/b/a Angola Cash & Loan is requesting a consumer loan license. They are currently licensed as a pawnbroker in Angola. Want a consumer loan license to make pay day type loans. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 39) Indiana Pawnbrokers, Inc. d/b/a Angola Cash & Loan is requesting a check cashing license. They are currently licensed as a pawnbroker in Angola. Will be offering check cashing services other than incidental to the retail sales and charging more than the greater of 1% or \$1. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority December 19, 1996.**

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- 40) Mortgage One Financial Corporation is requesting a consumer loan license. They are based in Birmingham, Michigan. Will be using local title companies to close second mortgage loans. All references are in order. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 41) Roy Blakely d/b/a Money On The Spot is requesting a consumer loan license. Applicant is based in Indianapolis. Will be making pay day type loans. Applicant is aware of the disclosure requirements, maximum rates, etc. for this specialized type of loan. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 42) Mortgage Concepts, Inc. d/b/a Nationstrust Mortgage Corporation is requesting a consumer loan license. They are based in Louisville. Will be using local title companies for closing

second mortgage loans. They are licensed as a mortgage broker in Indiana. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**

- 43) Associates Housing Finance Services, Inc. is requesting a consumer loan license. This entity was formerly known as Ford Consumer Finance (license #1175). A material change has occurred in the officers of the existing corporation. As such, they are applying for a new license. They are based in Irving, Texas. Will be purchasing mobile home retail installment sales contracts and making some direct loans in the future. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 44) Nationwide Home Finance, L.L.C. is requesting a consumer loan license. They are based in Chicago. Will be purchasing retail sales contracts from home improvement dealers as well as making second mortgage loans in their name at some point in the future. All references are in order. It is recommended that the license be issued. **The request was approved by the Director under Delegated Authority December 19, 1996.**
- 45) Mego Mortgage Corporation is requesting a consumer loan license. They are based in Atlanta, Georgia. Applicant plans to purchase retail installments home improvement sales contracts and make second mortgage loans using local title companies for closing. They currently operate in 9 states. It is recommended that the license be approved. **The request was approved by the Director under Delegated Authority November 18, 1996.**
- 46) OwnerGuard Corporation is requesting approval as third party administrator for a Guaranteed Auto Protection (GAP) program. The program is a standard GAP proposal in terms of coverage in the event of a total loss where the amount owed by the customer is in excess of the amount paid by their auto insurance coverage.

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The maximum charge to the customer will not exceed \$420. The customer's deductible is included up to \$1000. There will be a sixty (60) day free-look period. If the customer prepays their installment account in full, they will be entitled to a refund of the unearned portion based on a rule of 78'ths (sum of the digits) type calculation. There is a contractual liability policy issued by Balboa Insurance company which has been approved by the Indiana Department of Insurance.

The initial dealer requesting approval is Stoops Automotive of Muncie. All future dealers will agree to abide by the same terms as those approved.

Approval is subject to review at a future date as deemed necessary by the Department. It is

recommended that the program be approved as submitted and subject to the above conditions. This is provided for under IC 24-4.5-2-202(1)(c). **The request was approved by the Director under Delegated Authority December 19, 1996.**

- 47) Shirley Criss d/b/a Ohio Valley Coin is requesting a pawnbroker license. Applicant will be based in Tell City. A personal interview was made with Mr. Criss. Mr. Criss deals primarily in the buying and selling of coins and cards. He is licensed by the Bureau of Alcohol, Tobacco and Firearms for the sale of guns. He wants the pawnbroking license for limited pawnbroking of long guns. There are no other pawn shops in Tell City. All references are in order. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 48) East Chicago Check Cashiers, Inc. is requesting a check cashing license. Applicant will be based in East Chicago. They will be cashing checks other than incidental to the retail sale of goods or services. Principals of the corporation operate similar businesses in five (5) states. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 49) American Check Cashiers, Inc. is requesting a check cashing license. Applicant will be based in South Bend and have one (1) branch. All references are in order. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 50) American Check Cashiers, Inc. is requesting a consumer loan license. Applicant be based in South Bend. They will be making pay day type loans. They are aware of the disclosure requirements, maximum rates, etc. for this specialized type of loan. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**

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- 51) New Jersey Mortgage and Investment Corp. is requesting a consumer loan license. Applicant is based in Roseland, New Jersey. They will be making second mortgage loans using local title companies for closing. Loans will be sold servicing released. Applicant operates in 11 states. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 52) World Wide Financial Services, Inc. is requesting a consumer loan license. Applicant is based in Birmingham, Michigan. They will be making second mortgage loans using local title companies for closing. Loans will be sold servicing released. All references are in order. Applicant is recommended for approval. **The request was approved by the Director under Delegated**

**Authority on January 27, 1997.**

- 53) Pierucci, Inc. d/b/a Sunset Mortgage Company is requesting a consumer loan license. They are based in Chadds Ford, Pennsylvania. They will be using local title companies to close second mortgage loans. Loans will be sold servicing released. Applicant currently operates in 5 states. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 54) Jerry Meece d/b/a Cash Now Check Advance is requesting a consumer loan license. Applicant is based in Newburgh. They will be making pay day loans at six (6) locations in the Evansville area. They also operate in Kentucky. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 55) Mid Am Financial Services, Inc. is requesting a consumer loan license. Applicant will have locations in Carmel and Marion where all types of consumer loans will be made. Principal of the business were formerly with Banc One Financial. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 56) Express Check Co., Inc. is requesting a consumer loan license. They are based in Elkhart. Applicant will be making pay day type loans. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 57) Mountain States Mortgage Center, Inc. is requesting a consumer loan license. Applicant is based in Sandy, Utah. Will be making second mortgage loans using title companies for closing. Loans will be retained for servicing. They currently operate in 27 states. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**

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- 58) Personal Check Advance of Indiana, Inc. is requesting a consumer loan license. They are based in Jeffersonville. Applicant will be making pay day loans. They currently operate in Kentucky. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 59) Manufactured Home Lending Corporation is requesting a consumer loan license. They are based in Farmington Hills, Michigan. Applicant will be making direct loans to consumers using title companies for closing. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**

- 60) United Mortgagee, Inc. is requesting a consumer loan license. Applicant is based in Virginia Beach, VA. They currently operate in three (3) states. Second mortgage loans will be made using title companies for closing. Loans will be sold servicing released. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 61) KeyCorp Finance, Inc. d/b/a Key Home Equity Services is requesting a consumer loan license. Applicant is a wholly owned subsidiary of KeyCorp of Mt. Laurel, New Jersey. This is a new corporation. Applicant plans to operate in twenty-one (21) states They will be making second mortgage loans using title companies to close. Some loans will be retained for servicing. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 62) Summit Funding, Inc. d/b/a Summit Capital is requesting a consumer loan license. They are based in Las Vegas, Nevada. Applicant currently operates in seven (7) states. They will be using title companies for closing. Loans will be sold servicing released. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 63) First Greensboro Home Equity, Inc. is requesting a consumer loan license. They are based in Greensboro, N.C. Applicant will be making second mortgage loans using title companies for closing. They currently operate in eight (8) states. Some loans are retained for servicing. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 64) Mortgage Lenders Network, USA, Inc. is requesting a consumer loan license. They are based in Middletown, CT. Applicant will use title companies for closing. Loans will be retained for servicing. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**

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- 65) Harborside Financial Network, Inc. is requesting a consumer loan license. They are based in San Marcos, CA. They currently operate in 16 states. Second mortgage loans will be made using title companies for closing. Loans will be sold servicing released. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**
- 66) Instant Cash, Inc. is requesting a consumer loan license. Applicant is based in Muncie. They

will be making pay day type loans. Applicant is aware of all of the requirements regarding this type of loan. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**

67) Germano & Sons, Ind. d/b/a Check It Out Checks Cashed is requesting a check cashing license. They will be based in Indianapolis. Principal of the business has previous experience in the check cashing business. All references are in order. Applicant is recommended for approval. **The request was approved by the Director under Delegated Authority on January 27, 1997.**

There being no further business to come before the Members, the meeting was adjourned.

**APPROVED:**

**ATTEST:**

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**Mark Hasten, Chairman**

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**James M. Cooper, Acting Secretary**